



RESPONSIVE FINANCIAL GROUP, INC.
A Registered Investment Advisory Firm

Greetings:

Summer is upon us and the weather is fine! We hope that you are having a great summer; that you will enjoy every minute of it and finish it healthier, wealthier and happier. The last few months were difficult for some of our friends and clients, a few lost a parent, I lost my last grandparent and also a close friend to the family. Even if it is expected the death of a loved one is a difficult adjustment for those left behind. Our thoughts and sympathies go out to them.

Reflecting on these events the last few months urges me to remind you to “have your house in order”, should the unthinkable happen to you. I’m not speaking simply of having the proper legal documents, and having the proper titles and beneficiaries on your assets. Have you communicated to those who would be impacted by your passing as to what will be expected of and for them? Have you left a plan as to how to cope with the “stuff” of your life that isn’t specifically documented in your will or trusts? Perhaps it would help to explain in plain English, the “why’s” of the trusts you wrote and your hopes or expectations for your heirs. Because you will have heirs, if you are not destitute at death, you will leave a legacy whether or not you leave assets. Wouldn’t you like to have a say in what “it” is? We will be expanding on this concept with you in the coming years.

We have had a good first half this year, all of our portfolios exceeding **their NEW benchmarks** year to date. A year or so ago we changed our benchmark from the raw S&P 500 Index to the S&P 500 Index with dividends reinvested, making it almost 2% more difficult to meet that return each year due to the beneficial effect of dividends on returns. This year we are making things more challenging again. The SEC requires that a “benchmark” approximate the “holding” of the portfolio being compared to it. So as an example, where the benchmark of the Mid-Point Portfolio was simply ½ the return of the S&P 500 Index with Dividends, **the New Mid Point benchmark** is ½ the return of the S&P 500 Index with Dividends, **PLUS** ½ of the US Treasury Bill Index for the same period. With the long term average return of US Treasury Bills averaging just less than 4%, this can be expected to add 2% per year to the Mid Point benchmark we compare the portfolio, almost 1.5% per year to the Moderate benchmark. This will likely increase the number of times and the duration of time during which we will be behind the benchmark.

We will continue to seek to maximize the return of the portfolios within their specified investment policies. Our technique will continue to be focused foremost on the risk in our portfolios. We will continue as we have always done to utilize prudent and time tested active investment management techniques via the very best money managers and securities operationally available to us. We will not chase the latest popular investment themes, nor will we compromise our standards to try to keep up with an index being driven to absurd levels by the latest “Tulip mania” to strike the markets.

This summer my niece Margaret Baldwin (she goes by Meg), will be joining us for a time. She is about to enter her junior year at Colorado University. Among her duties will be to contact many of you to confirm your contact information and inquire as to your preferences for the delivery of our communications to you, particularly our new **Digital Documents** service. Please give her a few minutes of your time to “help me, help you!”, she is a very nice young lady so it shouldn’t be too painful. Let Meg know if the timing of her call is inconvenient, she will be happy to call back at a better time.

Before this was in the mail to you this letter, your Quarterly Report, invoice and the **2007 Mid-Year Tax Planning Memorandum**, were already posted via our **Digital Documents** service on your **Private Page** at www.rfgweb.net. Please call if you have misplaced your user ID or password.

Schwab has significantly improved their “eDelivery” of statements, confirmations and “investor communications” (meaning all those prospectuses), available to all except our Qualified Plan Trustees, in

which case they still can't "turn off the paper". We're working on them. The advantages of our Digital Documents and Schwab's eDelivery go well beyond saving a few trees; among them:

Speed of Delivery: the Digital Documents Performance Statements were available in your Private Page before by Tuesday afternoon, July 3rd, before the paper statements were even mailed. Your Schwab "eDelivery" statements were being posted to your Schwab Alliance web page by the close of business on Monday, July 2nd.

Frequency of Delivery: Digital Documents subscribers will receive monthly statements.

Increased Security: Digital Documents are secure, we do not send confidential information by email; when your statements or other documents are available on your Private Page, we send you a notification email and a link to your Private Page. We will also include our telephone number to call in case you have forgotten your user ID or password. You never have to worry about your financial information sitting out in your mailbox or figuring out what to do with the paper when you don't need it anymore. When you login to the site the data being transmitted via the web is protected by 128 bit encryption. Schwab's eDelivery utilizes the same processes.

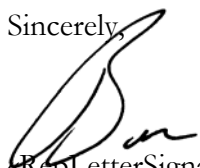
Convenient: All the documents on your Private Page are available to you at anytime, from anywhere you have web access, to view, print, or download and save. Meeting with your accountant, you can get your documents (in fact, we can provide your accountant with their own Private Page to ensure that they have your tax information available at anytime, from anywhere. Schwab's eDelivery enables you to retrieve and search up to 10 years of documents anytime, anywhere from Schwab's secure Web site.

All in all, excellent opportunities for us to provide you with better service and faster and more securely at no cost to you! We like that!

Our Responsive Wealth Management Platform is being very well received as we roll it out and we look forward to introducing its capabilities to more of you as we go on. It is an exceptionally powerful and convenient web based planning tool for us, and an exceptional way for you to "keep track of your stuff"! In the meantime please feel free to take a look at it via an introductory "movie" on our homepage at www.rfgweb.com.

Have a great summer and we look forward to talking to you soon!

Sincerely,

A handwritten signature in black ink, appearing to be a stylized name, possibly "Dan".

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